

**UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF MICHIGAN**

UNITED STATES OF AMERICA,

CIVIL ACTION NO.:

Plaintiff,

HONORABLE:

vs.

ANTHONY INMAN

Defendant,

<b>COMPLAINT</b>
------------------

TO THE HONORABLE UNITED STATES DISTRICT COURT JUDGE:

The United States of America, plaintiff, alleges that:

**Jurisdiction**

1. This court has jurisdiction over the subject matter of this action pursuant to Article III, Section 2, U.S. Constitution and 28 U.S.C. § 1345.

**Venue**

2. The defendant is a resident of Wayne County, Michigan within the jurisdiction of this Court and may be served with service of process at 5697 Fairview St. Detroit, MI 48213.

**The Debt**

3. The debt owed to the United States of America is as follows:

A. Current Principal ( <i>after application of all prior payments, credits, and offsets</i> )	\$13,923.67
B. Current Capitalized Interest Balance and Accrued Interest	\$6,412.08
C. Administrative Fee, Costs, Penalties	\$0.00
D. Credits previously applied ( <i>Debtor payments, credits, and offsets</i> )	\$1,835.36
<b>Total Owed</b>	<b>\$20,335.75</b>

The Certificate of Indebtedness, attached as Exhibit "A", shows the total owed excluding attorney's fees and CIF charges. The principal balance and interest balance shown on the Certificate of Indebtedness is correct as the date of the Certificate of Indebtedness after application of all prior payments, credits and offsets. Prejudgment interest accrues at the current rate of 3.16 percent and a daily rate of \$1.20 through June 30, 2012, and thereafter at such rate as the Department establishes pursuant to Section 455(b) of the Higher Education Act of 1965, as amended, 20 U.S.C. 1087e.

**Failure to Pay**

4. Demand has been made upon the defendant for payment of the indebtedness, and the defendant has neglected and refused to pay the same.

WHEREFORE, USA prays for judgment:

- A. For the sums set forth in paragraph 3 above, plus prejudgment interest through the date of judgment, all administrative costs allowed by law, and post-judgment interest pursuant to 28 U.S.C. § 1961 and that interest on the judgment be at the legal rate until paid in full;
- B. For attorney's fees to the extent allowed by law;
- C. Filing fee of \$350.00 as premittted by 28 U.S.C. § 2412(a)(2); and,
- D. For such other relief which the Court deems proper.

Respectfully submitted,

By: /s/ Craig S. Schoenherr, Sr.  
CRAIG S. SCHOENHERR, SR. (P32245)  
Attorney for Plaintiff  
O'Reilly Rancilio PC  
12900 Hall Rd Ste 350  
Sterling Heights, MI 48313  
Phone: (586) 726-1000  
Fax: (586) 726-1560  
[cschoenherr@orlaw.com](mailto:cschoenherr@orlaw.com)

**U. S. DEPARTMENT OF EDUCATION  
SAN FRANCISCO, CALIFORNIA**

**CERTIFICATE OF INDEBTEDNESS #1 OF 1**

Anthony Inman  
5697 Fairview St.  
Detroit, MI 48213-3474  
Account No. XXXXX6911

I certify that U.S. Department of Education records show that the borrower named above is indebted to the United States in the amount stated below plus additional interest from 07/13/11.

On or about 09/11/00 and 10/04/00, the borrower executed promissory note(s) to secure loan(s) of \$7,000.00 and \$7,000.00 from the U.S. Department of Education. This loan was disbursed for \$7,000.00 on 10/03/00 – 01/22/01 and \$7,000.00 on 10/16/00 – 01/22/01, at a variable rate of interest to be established annually. The loan was made by the Department under the William D. Ford Federal Direct Loan Program under Title IV, Part D of the Higher Education Act of 1965, as amended, 20 U.S.C. 1087a et seq. (34 C.F.R. Part 685). The Department demanded payment according to the terms of the note, and the borrower defaulted on the obligation on 07/25/03. Pursuant to 34 C.F.R. § 685.202(b), a total of \$0.00 in unpaid interest was capitalized and added to the principal balance.

The Department has credited a total of \$1,835.36 in payments from all sources, including Treasury Department offsets, if any, to the balance. After application of these payments, the borrower now owes the United States the following:

Principal:	\$13,923.67
Interest:	\$6,412.08
Total debt as of 07/13/11:	\$20,335.75

Interest accrues on the principal shown here at the current rate of 3.16 percent and a daily rate of \$1.20 through June 30, 2012, and thereafter at such rate as the Department establishes pursuant to Section 455(b) of the Higher Education Act of 1965, as amended, 20 U.S.C. 1087e.

Pursuant to 28 U.S.C. § 1746(2), I certify under penalty of perjury that the foregoing is true and correct.

Executed on:

7/25/11

Michael Illes  
Loan Analyst  
Litigation Support

**Michael Illes  
Loan Analyst**

**EXHIBIT**

A

**Direct  
Loans****William D. Ford Federal Direct Loan Program  
U.S. Department of Education**OMB No. 1840-0066  
Form Approved  
Exp. Date 12/31/2001**Federal Direct PLUS Loan  
Application and Promissory Note****Section A: To Be Completed By Borrower**

1. Identification No. (a) 1. Identification No. (b) 2. Social Security No. Loan Amt. Requested

6911 \$7000

4. Date of Birth 08/30/20006. Name and Address  
(last, first, middle initial)  
(street), (city, state, zip code)  
Irman, Anthony  
9315 Traverse  
Detroit, MI 48213

5. U.S. Citizenship Status (Check one)

1 [X] U.S. Citizen or national 1 [ ] Neither 1 nor 2

2 [ ] Permanent Resident / other eligible alien

If 2, Alien Registration No.

7. Driver's License (State-No.)

8. Area Code/Telephone No.

(313) 923-9111

9. Loan Period (MMDDYYYY to MMDDYYYY)  
08/30/2000 05/11/2001**Section B: To Be Completed By School**

10. School Name and Address

Morehouse College

FINANCIAL AID OFFICE 830 WEST VIEW DR SW

ATLANTA, GA 30314

11. Loan Period

08/30/2000 05/11/2001

12. School Code/Branch G01582

13. Certified Loan Amount \$7000

14. Anticipated Disbursement Date(s) (MMDDYYYY)

1st 08/30/2000 2nd 01/11/2001 3rd 4th

**Section C: To Be Completed By Student**

15. Name (last, first middle initial)

Roberson, Anthony

16. Social Security No.

~~000-00-0000~~ 9610

17. U.S. Citizenship Status (Check One)

1 [X] U.S. Citizen or national 3 [ ] Neither 1 nor 2

2 [ ] Permanent Resident / other eligible alien

If 2, Alien Registration No.

18. Date of Birth

08/30/2000

19. Are you currently in default on a federal education loan, or do you owe a refund on a federal student grant? (Check one) ☐ YES ☒ NO  
If you answered "Yes" to this question, have you made satisfactory repayment arrangements? (Check one) ☐ YES ☒ NO (If "Yes," please read instructions and attach documentation.)

I will notify the school or the Servicer in the event of the borrower's permanent and total disability or death. My signature certifies that I have read and agreed to the conditions outlined in the "Student Certification" printed on the reverse of this Loan Application and Promissory Note.

20. Signature of Student

9-14-00  
21. Date**Section D: To Be Completed By Borrower**

22. References: You must list two persons with different U.S. addresses who have known you for at least three years.

Name

1. THOMAS BARACATT

Permanent Address

5035 E. OUTER DR

City, State, Zip Code

DETROIT, MI 48224

Area Code/Telephone No.

( )

2. MARY R. OBERSON17148 DRESDENDETROIT, MI 48205(313) 310-518923. Are you currently in default on a federal education loan, or do you owe a refund on a federal student grant? (Check one) ☐ YES ☒ NOIf you answered "Yes" to this question, have you made satisfactory repayment arrangements? (Check one) ☐ YES ☒ NO (If "Yes," please read instructions and attach documentation.)

24. Employer's Name

Real Estate 1

25. How many years with this employer?

7 YRS

26. Employer's Address

22200 Ford Rd - Dearborn MI 48124

27. Employer's Area Code/Telephone Number

313-565-236928. If it is determined that I have an adverse credit history, I would try to obtain an endorser. ☒ YES ☐ NO

I promise to pay the U.S. Department of Education all sums (hereafter "loan" or "loans") disbursed under this Promissory Note plus interest and other fees which may become due, as provided in this Promissory Note. If I fail to make payments on this Promissory Note when due, I will also pay collection costs including attorney's fees and court costs. I understand that I may cancel or reduce the size of my loan by making any disbursement that is issued to me.

I understand that this is a Promissory Note. I will not sign this Promissory Note before reading it, even if I am advised not to read this Promissory Note. I am entitled to an exact copy of this Promissory Note and a statement of the Borrower's Rights and Responsibilities. My signature certifies that I have read, understand, and agree to the terms and conditions of the Application and Promissory Note and the statement of Borrower's Rights and Responsibilities. My signature on this Promissory Note will serve as my authorization for my loan proceeds to be credited to the student account of the student identified in Section C by the school identified in Section B.

Under penalty of perjury, I certify that the information contained in the Borrower Section (Section A) of this Promissory Note is true and accurate. The proceeds of this loan will be used for authorized educational expenses of the student named above at the certifying school for the specified loan period. I authorize the Secretary of the U.S. Department of Education to investigate my credit record and report information concerning my credit to the proper persons and organizations.

I UNDERSTAND THAT THIS IS A FEDERAL LOAN THAT I MUST REPAY.

29. Signature of Borrower

9-11-00  
Today's Date

Retain a copy of this signed Promissory Note for your records.

RECEIVED OCT 15 2000



## Disclosure of Terms

This promissory note applies to Federal Direct PLUS Loans (Direct PLUS Loans). In this note, the Higher Education Act of 1965, as amended, 20 U.S.C. 1070, et seq., and applicable U.S. Department of Education (ED) regulations are referred to as "the Act." The terms of this note will be interpreted in accordance with the Act and other applicable federal statutes. Any changes to the Act that are inconsistent with the terms of this note supersede the specific terms of this note in accordance with their effective dates.

I agree to pay interest on the principal amount of the loan from the date of disbursement, until the loan is paid in full. If I fail to make the required interest payment when due, I agree that ED may add the accrued interest to the unpaid balance of the loan, as provided under the Act. This is called capitalization.

**Interest Rate.** For Direct PLUS Loans first disbursed on or after July 1, 1998, the applicable rate of interest for any 12-month period beginning on July 1 and ending on June 30, will be determined on the preceding June 1 and will be equal to the bond equivalent rate of 91-day Treasury bills auctioned at the final auction held prior to such June 1; plus 3.1 percentage points, but shall not exceed 9 percent.

I will receive a statement of the actual interest rate after the first disbursement of the loan. If, after reviewing the actual interest rate, I decide to decline this loan, I am entitled to a refund of all loan origination costs if I pay back the principal on this note in full to ED within 120 days of disbursement.

**Repayment.** I am obligated to repay the full amount of the loan and accrued interest. Unless I have received a deferment or forbearance, the repayment period for a Direct PLUS Loan will begin on the date that the loan is fully disbursed. The first payment is due within sixty days of that date.

There are three repayment options: (1) a standard repayment plan, with a fixed annual repayment amount paid over a fixed period of time; (2) an extended repayment plan, with a fixed annual repayment amount paid over an extended period of time, except that I shall annually repay a minimum amount that will be determined by ED; and (3) a graduated repayment plan, with annual repayment amounts established at two or more graduated levels and paid over a fixed or extended period of time, except that my scheduled payments must cover interest charges and shall not be less than 50 percent, nor more than 150 percent, of what the amortized payment on the amount owed would be if the loan were repaid under the standard repayment plan. ED will provide me with an opportunity to select a repayment plan. If I do not select a plan, ED will provide me with a standard repayment plan.

ED will issue a repayment schedule that provides a schedule of payment amounts and due dates. My repayment schedule will include all of my Direct PLUS Loans. (ED may grant me forbearance to eliminate a delinquency that persists, even though I am making scheduled payments.)

I may prepay all or any part of the unpaid balance on the loans at anytime without a penalty. All payments are applied in the following order: charges and collection costs first, outstanding interest second, and outstanding principal last.

**Late Charges and Collection Costs.** If I fail to make an installment payment when it becomes due, ED may collect a late charge. If I default on a loan, I will pay reasonable costs plus court costs, collection fees, and attorney's fees.

**Acceleration and Default.** At the option of ED, the entire unpaid balance will become immediately due and payable upon the occurrence of any one of the following events: (a) the student who is the subject of this Direct PLUS Loan fails to enroll as at least a half-time student at the school that certified the loan application; (b) the proceeds of the loan are used for expenses that are unrelated to education; (c) I, the borrower, make a false representation that results in my receiving a loan for which I am ineligible; or (d) I default on the loan.

I will default on this loan if I fail to make an installment payment when it is due, or to meet the other terms of this promissory note. The following events will constitute a default on the loan: (a) I fail to pay the entire unpaid balance after ED has exercised its option under the preceding paragraph; (b) I fail to make installment payments when due or to comply with the other terms of this note, and ED reasonably concludes that I no longer intend to honor the repayment obligation, provided the failure has persisted for at least 270 days. If I default, ED will capitalize all outstanding interest into a new principal balance.

If I default on this loan, the default will be reported to national credit bureaus. I understand that the resulting credit report will have a negative effect on my credit rating. If I default on this loan, my federal income tax refund may be withheld to pay the debt, my wages may be garnished or offset, and legal action may be brought against me to enforce the terms of this note. I will be ineligible for additional federal student financial aid and for assistance under most federal benefit programs.

Any notice that is required to be given to me will be effective when mailed by first class mail to the latest address that ED has for me. I will immediately notify ED of any change of my address or status as specified in the statement of Borrower's Rights and Responsibilities. Failure to enforce, or insisting on compliance with, any term of this note shall not be a waiver of any right of ED. The provisions of this note can only be waived or modified, in writing, by ED. If any provision of this note is deemed to be unenforceable, the invalidity of that provision will not invalidate this promissory note.

## Important Notices

**Privacy Act Disclosure Notice.** The Privacy Act of 1974 (5 U.S.C. 552a) requires that we disclose to you the following information:

The authority for collecting this information is §451 et seq. of the Higher Education Act of 1965, as amended (the HEA) (20 U.S.C. 1087a et seq.). The principal purposes for collecting this information are to process your Federal Direct PLUS Loan Application and Promissory Note that is made under the William D. Ford Federal Direct Loan (Direct Loan)

Program, to document your agreement to repay this loan, and to identify and locate you if it is necessary to enforce this loan.

We ask that you provide the information requested on this Federal Direct PLUS Loan Application and Promissory Note (promissory note) on a voluntary basis. However, you must provide all of the requested information that is available to you so the Department may determine your Direct Loan Program eligibility and process your promissory note.

The information in your file may be disclosed to third parties as authorized under routine uses in the Privacy Act notices called "Title IV Program Files" (originally published on April 12, 1994, Federal Register, Vol. 59, p. 17351) and "National Student Loan Data System" (originally published on December 20, 1994, Federal Register, Vol. 59, p. 65532). Thus, this information may be disclosed to parties that we authorize to assist us in administering the Federal student aid programs, including contractors that are required to maintain safeguards under the Privacy Act. Disclosures may also be made for verification of information, determination of eligibility, enforcement of conditions of the loan or grant, debt collection, and the prevention of fraud, waste, and abuse and these disclosures may be made through computer matching programs with other Federal agencies. Disclosures may be made to determine the feasibility of entering into computer matching agreements. We may send information to members of Congress if you ask them in writing to help you with Federal student aid questions. If we are involved in litigation, we may send information to the Department of Justice (DOJ), a court, adjudicative body, counsel, or witness if the disclosure is related to financial aid and certain other conditions are met. If this information either alone or with other information, indicates a potential violation of law, we may send it to the appropriate authority for consideration of action and we may disclose to DOJ to get its advice related to the Title IV, HEA programs or questions under the Freedom of Information Act. Disclosures may be made to qualified researchers under Privacy Act safeguards. In some circumstances involving employment decisions, grievances or complaints, or involving decisions regarding the letting of a contract or making of a grant, license, or other benefit, we may send information to an appropriate authority. In limited circumstances, we may disclose to a Federal labor organization recognized under 5 U.S.C. Chapter 71.

Because we request your social security number (SSN), we must inform you that we collect your SSN on a voluntary basis, but section 484(a)(4) of the HEA (20 U.S.C. 1091(a)(4)) provides that, in order to receive any grant, loan or work assistance under Title IV of the HEA, a student must provide his or her SSN. Your SSN is used to verify your identity, and as an account number (identifier) throughout the life of your loan(s) so that the data may be recorded accurately.

**Financial Privacy Act Notice.** Under the Right to Financial Privacy Act of 1978 (12 U.S.C. 3401-3421), ED will have access to financial records in your student loan file maintained in compliance with the administration of the Direct Loan Program.

## Student Certification

I declare under penalty of perjury that the following is true and correct: (1) I certify that the information contained in the Student Section (Section C) of this document is true, complete, and correct to the best of my knowledge and belief and is made in good faith. (2) I certify that the borrower named in the Borrower Section (Section A) of this document is my natural or adoptive parent or my stepparent. (3) I authorize the release of information pertinent to this loan (i) by the school, ED, or their agents, to members of my immediate family unless I submit written direction otherwise; and (ii) by and amongst my school(s), ED, and their agents. (4) I certify that I do not now owe a refund on a Federal Pell Grant, Basic Educational Opportunity Grant, Supplemental Educational Opportunity Grant, or a State Student Incentive Grant, and that I am not now in default on any loan received under the Federal Perkins Loan Program (including NDSL loans) or the Federal Family Education Loan (FFEL) Program, or the Direct Loan Program, or if I am in default, I have made payment arrangements that are satisfactory to the holder of my loans. (5) So that the loan(s) requested can be approved, I authorize ED to send any information about me that is under its control, including information from the Free Application for Federal Student Aid (FAFSA), to state agencies and nonprofit organizations that administer financial aid programs under the FFEL Program or the Direct Loan Program. (6) I authorize my school(s) and ED to verify my social security number with the Social Security Administration (SSA) and, if the number is incorrect, then I authorize SSA to disclose my correct social security number to these parties.

U.S.GPO: 1998-448-076



**Direct  
Loans****William D. Ford Federal Direct Loan Program**  
U.S. Department of EducationOIVS No. 1840-0666  
Form Approved  
Exp. Date 12/31/2001**Federal Direct PLUS Loan  
Application and Promissory Note**

WARNING: Any person who knowingly makes a false statement or misrepresentation on this form shall be subject to penalties which may include fines, imprisonment, or both, under the U.S. Criminal Code and 38 U.S.C. 1067

**Section A: To Be Completed By Borrower**

1. Identification No. (a) 1. Identification No. (b) 2. Social Security No. Loan Amt. Requested

-6911 \$7000

6. Date of Birth

6. Name and Address

(last, first, middle initial)

(street), (city, state, zip code)

Inman, Anthony

9315 Traverse

Detroit, MI 48213

5. U.S. Citizenship Status (Check one)

1 [X] U.S. Citizen or national 3 [ ] Neither 1 nor 2

2 [ ] Permanent Resident / other eligible alien

If 2, Alien Registration No.

7. Driver's License (State-No.)

~~Michigan 123456789~~

8. Area Code/Telephone No

(313) 923-9111

9. Loan Period (MMDDYYYY to MMDDYYYY)

08/30/2000 05/11/2001

**Section B: To Be Completed By School**

10. School Name and Address

Morehouse College

FINANCIAL AID OFFICE 830 WEST VIEW OR SW

ATLANTA, GA 30314

11. Loan Period

08/30/2000 05/11/2001

12. School Code/Branch G01582

13. Certified Loan Amount \$7000

14. Anticipated Disbursement Date(s) (MMDDYYYY)

1st 08/30/2000 2nd 01/11/2001 3rd

4th

**Section C: To Be Completed By Student**

15. Name (last, first middle initial)

Roberson, Anthony

16. Social Security No.

-9610

17. U.S. Citizenship Status (Check One)

1 [X] U.S. Citizen or national 3 [ ] Neither 1 nor 2

2 [ ] Permanent Resident / other eligible alien

If 2, Alien Registration No.

18. Date of Birth

19. Are you currently in default on a federal education loan, or do you owe a refund on a federal student grant? (Check one.)  
If you answered "Yes" to this question, have you made satisfactory repayment arrangements? (Check one.)☐ YES ☒ NO☐ YES ☐ NO (If "Yes," please read instructions and attach documentation.)

I will notify the school or the Service in the event of the borrower's permanent and total disability or death. My signature certifies that I have read and agreed to the conditions outlined in the "Student Certification" printed on the reverse of this Loan Application and Promissory Note.

20. Signature of Student Anthony Roberson21. Date MM/DD/YYYY 10-11-00**Section D: To Be Completed By Borrower**

22. References: You must list two persons with different U.S. addresses who have known you for at least three years.

Name 1. Thomas Barnett  
Permanent Address 5035 E. Outer Dr.  
City, State, Zip Code Detroit, MI 48234  
Area Code/Telephone No. (313) 585-85012. MARY Roberson  
17148 Dresden  
Detroit, MI 48205  
(313) 310-518923. Are you currently in default on a federal education loan, or do you owe a refund on a federal student grant? (Check one.)  
If you answered "Yes" to this question, have you made satisfactory repayment arrangements? (Check one.)☐ YES ☒ NO☐ YES ☐ NO (If "Yes," please read instructions and attach documentation.)24. Employer's Name Real Estate I25. How many years with this employer? 7 years26. Employer's Address 22200 Fort Rd, Dearborn Heights27. Employer's Area Code/Telephone Number 313-565-230928. If it is determined that I have an adverse credit history, I would try to obtain an endorser. ☒ YES ☐ NO

I promise to pay the U.S. Department of Education all sums (hereafter "loan" or "loans") disbursed under this Promissory Note plus interest and other fees which may become due, as provided in this Promissory Note. If I fail to make payments on this Promissory Note when due, I will also pay collection costs including attorney's fees and court costs. I understand that I may cancel or reduce the size of my loan by refusing any disbursement that is issued to me. I understand that this is a Promissory Note. I will not sign this Promissory Note before reading it, even if I am advised not to read this Promissory Note. I am entitled to an exact copy of this Promissory Note and a statement of the Borrower's Rights and Responsibilities. My signature certifies that I have read, understand, and agree to the terms and conditions of this Application and Promissory Note and the statement of Borrower's Rights and Responsibilities. My signature on this Promissory Note will serve as my authorization for my loan proceeds to be credited to the student account of the student identified in Section C by the school identified in Section B.

Under penalty of perjury, I certify that the information contained in the Borrower Section (Section A) of this Promissory Note is true and accurate. The proceeds of this loan will be used for authorized educational expenses of the student named above at the certifying school for the specified loan period. I authorize the Secretary of the U.S. Department of Education to investigate my credit record and report information concerning my credit to the proper persons and organizations.

I UNDERSTAND THAT THIS IS A FEDERAL LOAN THAT I MUST REPAY.

29. Signature of Borrower Anthony Inman Today's Date MM/DD/YYYY 10.4.00

Retain a copy of this signed Promissory Note for your records.

RECEIVED OCT 19 2000



### Disclosure of Terms

This promissory note applies to Federal Direct PLUS Loans (Direct PLUS Loans). In this note, the Higher Education Act of 1965, as amended, 20 U.S.C. 1070, *et seq.*, and applicable U.S. Department of Education (ED) regulations are referred to as "the Act." The terms of this note will be interpreted in accordance with the Act and other applicable federal statutes. Any changes to the Act that are inconsistent with the terms of this note supersede the specific terms of this note in accordance with their effective dates.

I agree to pay interest on the principal amount of the loan from the date of disbursement, until the loan is paid in full. If I fail to make the required interest payment when due, I agree that ED may add the accrued interest to the unpaid balance of the loan, as provided under the Act. This is called capitalization.

**Interest Rate.** For Direct PLUS Loans first disbursed on or after July 1, 1998, the applicable rate of interest for any 12-month period beginning on July 1 and ending on June 30, will be determined on the preceding June 1 and will be equal to the bond equivalent rate of 91-day Treasury bills auctioned at the final auction held prior to such June 1, plus 3.1 percentage points, but shall not exceed 9 percent.

I will receive a statement of the actual interest rate after the first disbursement of the loan. If, after reviewing the actual interest rate, I decide to decline this loan, I am entitled to a refund of all loan origination costs if I pay back the principal on this note in full to ED within 120 days of disbursement.

**Repayment.** I am obligated to repay the full amount of the loan and accrued interest. Unless I have received a deferment or forbearance, the repayment period for a Direct PLUS Loan will begin on the date that the loan is fully disbursed. The first payment is due within sixty days of that date.

There are three repayment options: (1) a standard repayment plan, with a fixed annual repayment amount paid over a fixed period of time; (2) an extended repayment plan, with a fixed annual repayment amount paid over an extended period of time, except that I shall annually repay a minimum amount that will be determined by ED; and (3) a graduated repayment plan, with annual repayment amounts established at two or more graduated levels and paid over a fixed or extended period of time, except that my scheduled payments must cover interest charges and shall not be less than 50 percent, nor more than 150 percent, of what the amortized payment on the amount owed would be if the loan were repaid under the standard repayment plan. ED will provide me with an opportunity to select a repayment plan. If I do not select a plan, ED will provide me with a standard repayment plan.

ED will issue a repayment schedule that provides a schedule of payment amounts and due dates. My repayment schedule will include all of my Direct PLUS Loans. (ED may grant me forbearance to eliminate a delinquency that persists, even though I am making scheduled payments.)

I may prepay all or any part of the unpaid balance on the loans at anytime without a penalty. All payments are applied in the following order: charges and collection costs first, outstanding interest second, and outstanding principal last.

**Late Charges and Collection Costs.** If I fail to make an installment payment when it becomes due, ED may collect a late charge. If I default on a loan, I will pay reasonable costs plus court costs, collection fees, and attorney's fees.

**Acceleration and Default.** At the option of ED, the entire unpaid balance will become immediately due and payable upon the occurrence of any one of the following events: (a) the student who is the subject of this Direct PLUS Loan fails to enroll as at least a half-time student at the school that certified the loan application; (b) the proceeds of the loan are used for expenses that are unrelated to education; (c) I, the borrower, make a false representation that results in my receiving a loan for which I am ineligible; or (d) I default on the loan.

I will default on this loan if I fail to make an installment payment when it is due, or to meet the other terms of this promissory note. The following events will constitute a default on the loan: (a) I fail to pay the entire unpaid balance after ED has exercised its option under the preceding paragraph; (b) I fail to make installment payments when due or to comply with the other terms of this note, and ED reasonably concludes that I no longer intend to honor the repayment obligation, provided the failure has persisted for at least 270 days. If I default, ED will capitalize all outstanding interest into a new principal balance.

If I default on this loan, the default will be reported to national credit bureaus. I understand that the resulting credit report will have a negative effect on my credit rating. If I default on this loan, my federal income tax refund may be withheld to pay the debt, my wages may be garnished or offset, and legal action may be brought against me to enforce the terms of this note. I will be ineligible for additional federal student financial aid and for assistance under most federal benefit programs.

Any notice that is required to be given to me will be effective when mailed by first class mail to the latest address that ED has for me. I will immediately notify ED of any change of my address or status as specified in the statement of Borrower's Rights and Responsibilities. Failure to enforce, or insisting on compliance with, any term of this note shall not be a waiver of any right of ED. The provisions of this note can only be waived or modified, in writing, by ED. If any provision of this note is deemed to be unenforceable, the invalidity of that provision will not invalidate this promissory note.

### Important Notices

**Privacy Act Disclosure Notice.** The Privacy Act of 1974 (5 U.S.C. 552a) requires that we disclose to you the following information:

The authority for collecting this information is §451 *et seq.* of the Higher Education Act of 1965, as amended (the HEA) (20 U.S.C. 1067a *et seq.*). The principal purposes for collecting this information are to process your Federal Direct PLUS Loan Application and Promissory Note that is made under the William D. Ford Federal Direct Loan (Direct Loan)

Program, to document your agreement to repay this loan, and to identify and locate you if it is necessary to enforce this loan.

We ask that you provide the information requested on this Federal Direct PLUS Loan Application and Promissory Note (promissory note) on a voluntary basis. However, you must provide all of the requested information that is available to you so the Department may determine your Direct Loan Program eligibility and process your promissory note.

The information in your file may be disclosed to third parties as authorized under routine uses in the Privacy Act notices called "Title IV Program Files" (originally published on April 12, 1994, *Federal Register*, Vol. 59, p. 17351) and "National Student Loan Data System" (originally published on December 20, 1994, *Federal Register*, Vol. 59, p. 65532). Thus, this information may be disclosed to parties that we authorize to assist us in administering the Federal student aid programs, including contractors that are required to maintain safeguards under the Privacy Act. Disclosures may also be made for verification of information, determination of eligibility, enforcement of conditions of the loan or grant, debt collection, and the prevention of fraud, waste, and abuse and these disclosures may be made through computer matching programs with other Federal agencies. Disclosures may be made to determine the feasibility of entering into computer matching agreements. We may send information to members of Congress if you ask them in writing to help you with Federal student aid questions. If we are involved in litigation, we may send information to the Department of Justice (DOJ), a court, adjudicative body, counsel, or witness if the disclosure is related to financial aid and certain other conditions are met. If this information either alone or with other information, indicates a potential violation of law, we may send it to the appropriate authority for consideration of action and we may disclose to DOJ to get its advice related to the Title IV, HEA programs or questions under the Freedom of Information Act. Disclosures may be made to qualified researchers under Privacy Act safeguards. In some circumstances involving employment decisions, grievances or complaints, or involving decisions regarding the letting of a contract or making of a grant, license, or other benefit, we may send information to an appropriate authority. In limited circumstances, we may disclose to a Federal labor organization recognized under 5 U.S.C. Chapter 71.

Because we request your social security number (SSN), we must inform you that we collect your SSN on a voluntary basis, but section 484(a)(4) of the HEA (20 U.S.C. 1091(a)(4)) provides that, in order to receive any grant, loan or work assistance under Title IV of the HEA, a student must provide his or her SSN. Your SSN is used to verify your identity, and as an account number (identifier) throughout the life of your loan(s) so that the data may be recorded accurately.

**Financial Privacy Act Notice.** Under the Right to Financial Privacy Act of 1978 (12 U.S.C. 3401-3421), ED will have access to financial records in your student loan file maintained in compliance with the administration of the Direct Loan Program.

### Student Certification

I declare under penalty of perjury that the following is true and correct: (1) I certify that the information contained in the Student Section (Section C) of this document is true, complete, and correct to the best of my knowledge and belief and is made in good faith. (2) I certify that the borrower named in the Borrower Section (Section A) of this document is my natural or adoptive parent or my steparent. (3) I authorize the release of information pertinent to this loan (i) by the school, ED, or their agents, to members of my immediate family unless I submit written direction otherwise; and (ii) by and amongst my school(s), ED, and their agents. (4) I certify that I do not now owe a refund on a Federal Pell Grant, Basic Educational Opportunity Grant, Supplemental Educational Opportunity Grant, or a State Student Incentive Grant, and that I am not now in default on any loan received under the Federal Perkins Loan Program (including NDSL loans) or the Federal Family Education Loan (FFEL) Program, or the Direct Loan Program, or, if I am in default, I have made payment arrangements that are satisfactory to the holder of my loans. (5) So that the loan(s) requested can be approved, I authorize ED to send any information about me that is under its control, including information from the Free Application for Federal Student Aid (FAFSA), to state agencies and nonprofit organizations that administer financial aid programs under the FFEL Program or the Direct Loan Program. (6) I authorize my schools and ED to verify my social security number with the Social Security Administration (SSA) and, if the number is incorrect, then I authorize SSA to disclose my correct social security number to these parties.